

109TH CONGRESS  
1ST SESSION

# H. R. 3675

To amend the Federal Trade Commission Act to increase civil penalties for violations involving unfair or deceptive acts or practices that exploit popular reaction to an emergency or major disaster, and to authorize the Federal Trade Commission to seek civil penalties for such violations in actions brought under section 13 of that Act.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 7, 2005

Mr. BASS introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend the Federal Trade Commission Act to increase civil penalties for violations involving unfair or deceptive acts or practices that exploit popular reaction to an emergency or major disaster, and to authorize the Federal Trade Commission to seek civil penalties for such violations in actions brought under section 13 of that Act.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Spirit Fraud  
5 Prevention Act”.

1 **SEC. 2. INCREASE IN PENALTIES FOR UNFAIR OR DECEP-**  
2 **TIVE ACTS OR PRACTICES EXPLOITING REAC-**  
3 **TION TO CERTAIN EMERGENCIES AND MAJOR**  
4 **DISASTERS.**

5 (a) VIOLATIONS OF PROHIBITION AGAINST UNFAIR  
6 OR DECEPTIVE ACTS OR PRACTICES.—Section 5(m)(1) of  
7 the Federal Trade Commission Act (15 U.S.C. 45(m)(1))  
8 is amended by adding at the end the following:

9 “(D) In the case of a violation involving an unfair  
10 or deceptive act or practice in a national emergency period  
11 or disaster period, or relating to an international disaster,  
12 the amount of the civil penalty under this paragraph shall  
13 be double the amount otherwise provided in this para-  
14 graph, if the act or practice exploits popular reaction to  
15 the national emergency or major disaster that is the basis  
16 for such period, or to the international disaster.

17 “(E) In this paragraph—

18 “(i) the term ‘national emergency period’ means  
19 the period that—

20 “(I) begins on the date the President de-  
21 clares a national emergency under the National  
22 Emergencies Act (50 U.S.C. 1601 et seq.); and

23 “(II) ends on the expiration of the 1-year  
24 period beginning on the date of the termination  
25 of the national emergency;

1           “(ii) the term ‘disaster period’ means the 1-year  
2           period beginning on the date the President declares  
3           an emergency or major disaster under the Robert T.  
4           Stafford Disaster Relief and Emergency Assistance  
5           Act (42 U.S.C. 5121 et seq.); and

6           “(iii) the term ‘international disaster’ means  
7           any natural or man-made disaster in response to  
8           which the President furnishes assistance to any for-  
9           eign country, international organization, or private  
10          voluntary organization pursuant to section 491 of  
11          the Foreign Assistance Act (22 U.S.C. 2292(b)).”.

12          (b) VIOLATIONS OF OTHER LAWS ENFORCED BY THE  
13          FEDERAL TRADE COMMISSION.—Section 13 of the Fed-  
14          eral Trade Commission Act (15 U.S.C. 53) is amended  
15          by adding at the end the following:

16          “(e)(1) If a person, partnership, or corporation is  
17          found, in an action under subsection (b), to have com-  
18          mitted a violation involving an unfair or deceptive act or  
19          practice in a national emergency period or a disaster pe-  
20          riod, or relating to an international disaster, and if the  
21          act or practice exploits popular reaction to the national  
22          emergency or major disaster that is the basis for such pe-  
23          riod, or to the international disaster, the court, after  
24          awarding equitable relief (if any) under any other author-  
25          ity of the court, shall hold the person, partnership, or cor-

1 poration liable for a civil penalty of not more than \$22,000  
2 for each such violation.

3 “(2) In this subsection—

4 “(A) the term ‘national emergency period’  
5 means the period that—

6 “(i) begins on the date the President de-  
7 clares a national emergency under the National  
8 Emergencies Act (50 U.S.C. 1601 et seq.); and

9 “(ii) ends on the expiration of the 1-year  
10 period beginning on the date of the termination  
11 of the national emergency;

12 “(B) the term ‘disaster period’ means the 1-  
13 year period beginning on the date the President de-  
14 clares an emergency or major disaster under the  
15 Robert T. Stafford Disaster Relief and Emergency  
16 Assistance Act (42 U.S.C. 5121 et seq.); and

17 “(C) the term ‘international disaster’ means  
18 any natural or man-made disaster in response to  
19 which the President furnishes assistance to any for-  
20 eign country, international organization, or private  
21 voluntary organization pursuant to section 491 of  
22 the Foreign Assistance Act (22 U.S.C. 2292(b)).”.

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